

# *Town of Acton*

## *Special Town Meeting Warrant*



*Thursday, October 2, 2008*

**The Special Town Meeting will convene at 7:00 PM in the  
Acton-Boxborough Regional High School Upper Gymnasium Field House  
36 Charter Road**

## *Notice of Election*

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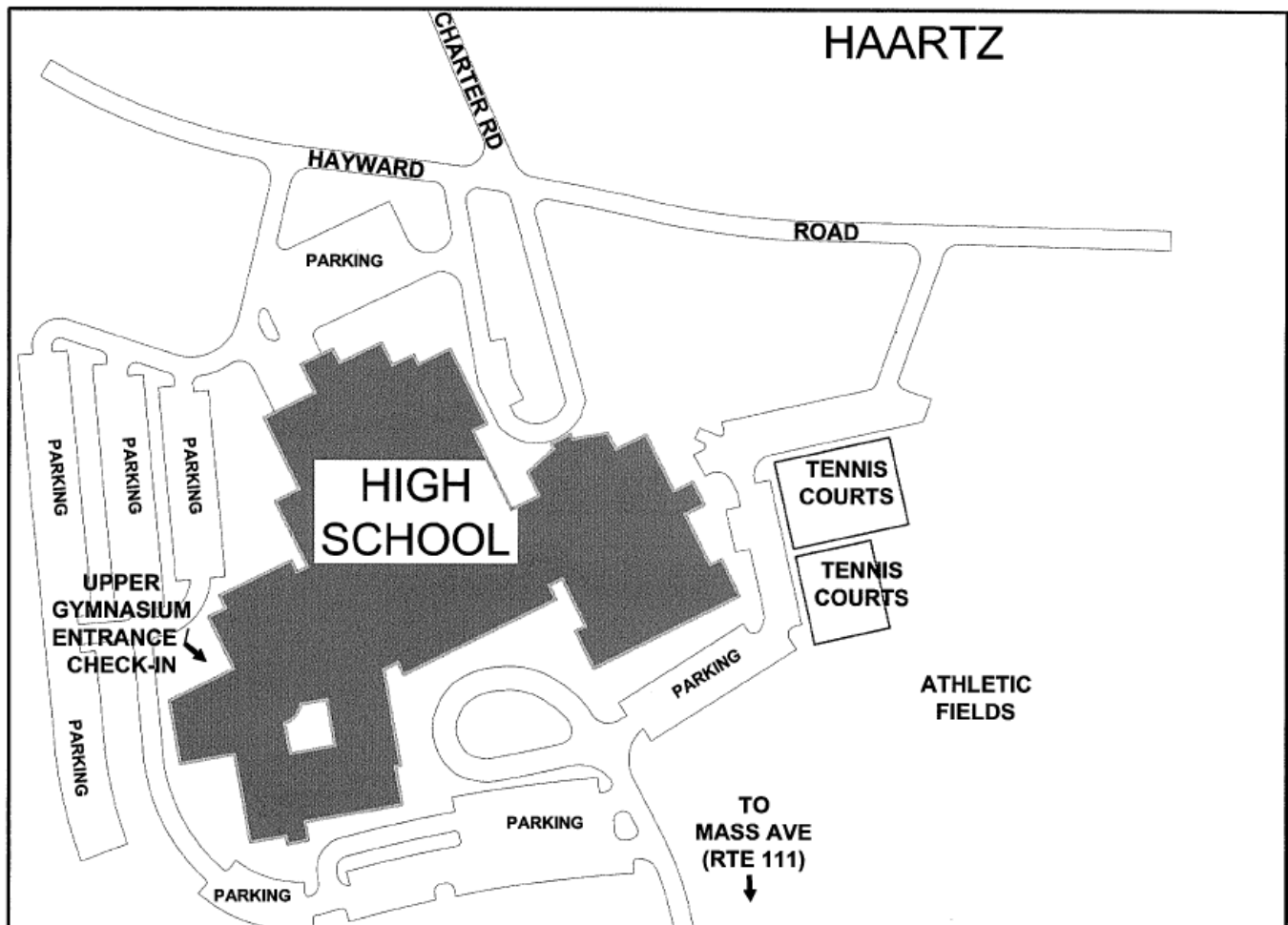
### **Presidential Election Tuesday, November 4, 2008 7:00 AM – 8:00 PM**

- Precinct 1** – Nagog Woods Club House – 100 Nonset Path  
**Precinct 2** – Conant School – 80 Taylor Road  
**Precinct 3** – Blanchard Auditorium, R. J. Grey Junior High School – 12 Charter Road  
**Precinct 4** – Blanchard Auditorium, R. J. Grey Junior High School – 12 Charter Road  
**Precinct 5** – Blanchard Auditorium, R. J. Grey Junior High School – 12 Charter Road  
**Precinct 6** – Conant School – 80 Taylor Road

For assistance in determining your election voting location, please use the State Elections Division's web site **[www.WhereDoIVoteMA.com](http://www.WhereDoIVoteMA.com)** or contact the Town Clerk's office by e-mail at **[clerk@acton-ma.gov](mailto:clerk@acton-ma.gov)** or by telephone at **(978) 264-9615**.

The last day for voter registration is Wednesday, October 15. On that day, the Town Clerk's office will be open until 8:00 PM in Town Hall.

### **Town Meeting High School Parking Diagram**



## *Message from the Board of Selectmen*

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This Special Town Meeting Warrant is sent to all the households in the Town of Acton to inform the citizens of important decisions to be made for the town. Acton has an Open Town Meeting form of municipal government. The Town Meeting serves as the legislative body. This warrant contains proposals for the Town to vote on. The proposals are called Warrant Articles. There are two Warrant Articles for the Town to vote on at this Special Town Meeting. Please read through this Warrant thoroughly. Any inquiries you may have in the days ahead of the meeting may be answered by contacting the person listed at the end of the article.

The Special Town Meeting will be held on Thursday, October 2nd at 7:00 PM in the Acton –Boxborough Regional High School Upper Gymnasium Field House. The Special Town Meeting will be led by our Town Moderator, Don MacKenzie. He will explain the Town Meeting process. Articles are presented, and Town Meeting attendees may ask questions, ask for clarifications, and offer their opinions on the article, for and against. The Moderator follows Town Meeting procedures, and keeps the debate moving in a fair, orderly, respectful, and civil fashion.

You must be a registered voter in the Town of Acton to vote, but all members of the community are welcome to attend.

At times, articles have been voted up or down by only one vote. Truly, at Town Meeting every vote counts.

Please take the time to review this important document, and attend the Special Town Meeting.

Board of Selectmen

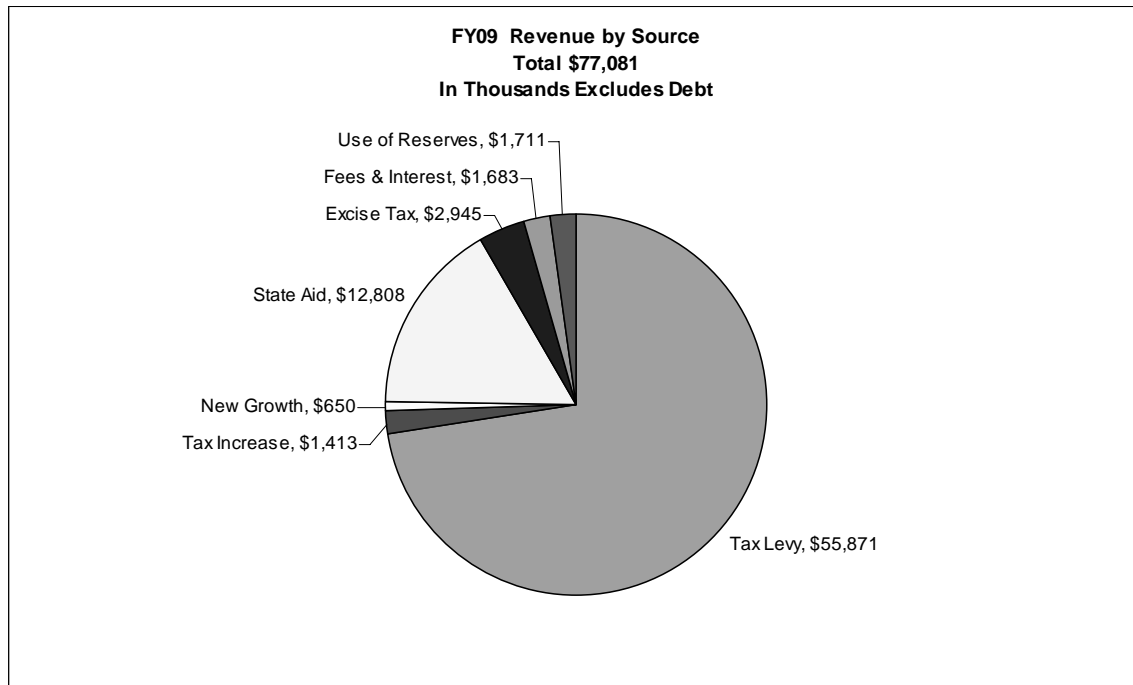
Lauren S. Rosenzweig, Chair  
Paulina S. Knibbe, Vice-Chair  
Andrew D. Magee, Clerk  
Peter J. Berry, Member  
Terra Friedrichs, Member

## ***Fiscal Year 2009 Budget Background***

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The numbers contained in this document are the Fiscal Year 09 Budgets expressed using the Acton Leadership Group model. That is, Debt Service is excluded as are Enterprise Funds, and Revolving Funds. To put the numbers on a comparable basis Acton Boxborough Regional School District Budget line items are shown as 78.5% of the budgeted amount which reflects Acton's share of the total budget.

### **Where does our Revenue come from?**



The majority (72%) of our Revenue comes from local property taxes. There are three components of this:

- 1.) The Tax Levy: The existing assessed property taxed at the current rate per thousand,
- 2.) New Growth: Additional assessed value from new homes, additions to homes, changes in parcels, etc,
- 3.) Tax Increase: Which is normally 2 ½% of the Levy. Because the Town used 1 ¼% in FY 08, the FY 09 increase includes both the unused 1 ¼ % from FY08 as well as the full 2 ½% from FY09.

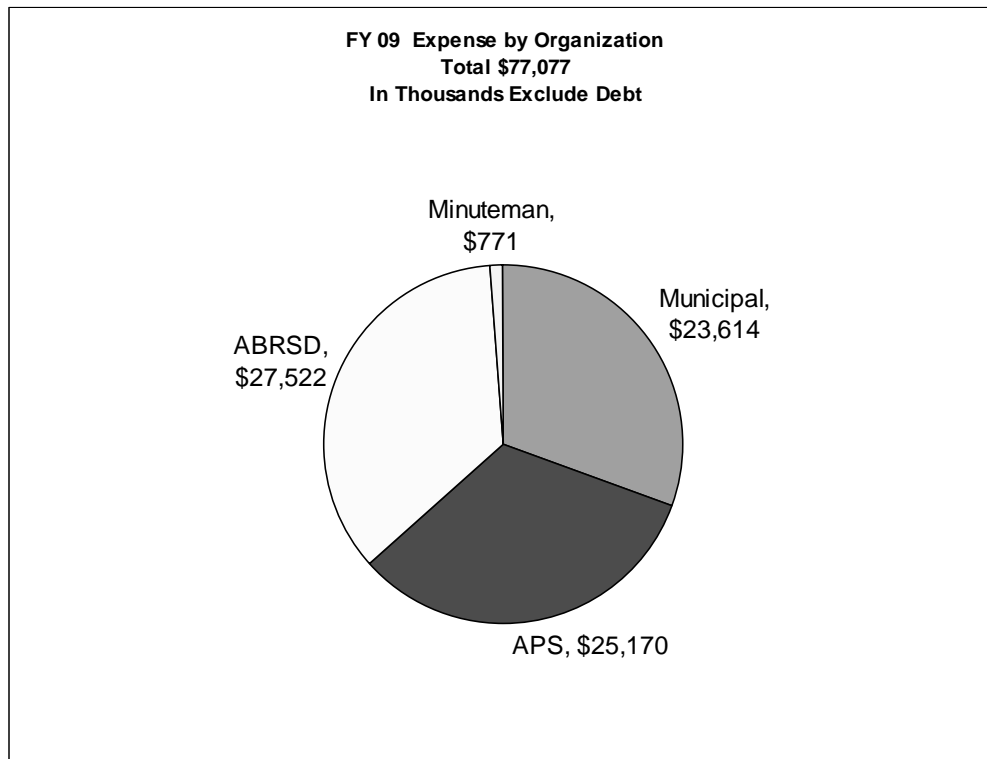
The second largest piece of Revenue comes from State Aid, accounting for 17% of the total. There are two major types of aid, Aid to Education and Municipal Aid. Education is by far the biggest portion with The Acton Public Schools receiving \$5,131,000 and the Acton Boxborough Regional system receiving \$5,787,000. These amounts have been increasing rapidly (20% over FY08) due to a State Department of Education program to redistribute aid on a more equitable basis. The program will be completed in FY 11. Education Aid comes from the State's General Fund and its reliability is influenced by the State's financial condition. Massachusetts is not currently in very good fiscal shape. In FY09 the State budget was out of balance by \$1 Billion. Municipal Aid is to some degree tied to the Lottery which has seen significant declines in revenue. FY09 Lottery Aid to Municipalities is held harmless with money from the State's rainy day reserve fund.

Excise Taxes which are taxes on vehicles account for 4% of our Total Revenue. There has been little growth in this category because our citizens have not been acquiring many new vehicles.

Fees and Interest account for 2% of revenue. Fees are charges for things like permits, vital records, and licensing. Interest varies with the interest rate and the amounts we have on deposit.

The Use of Reserves accounts for 2% of the Total. Because the most significant part of our revenues increase at 2½% and most significant parts of our expenses such as salaries, health care, and utilities increase at rates greater than that, there is a need from time to time to use reserves to avoid having an operating override to increase taxes. These reserves come about from controlling our spending so as to come in under the budgeted expense or by achieving revenue in excess of the budget. In short we save money when we can and use it when it is needed to avoid increasing taxes.

### Who Spends our Money?



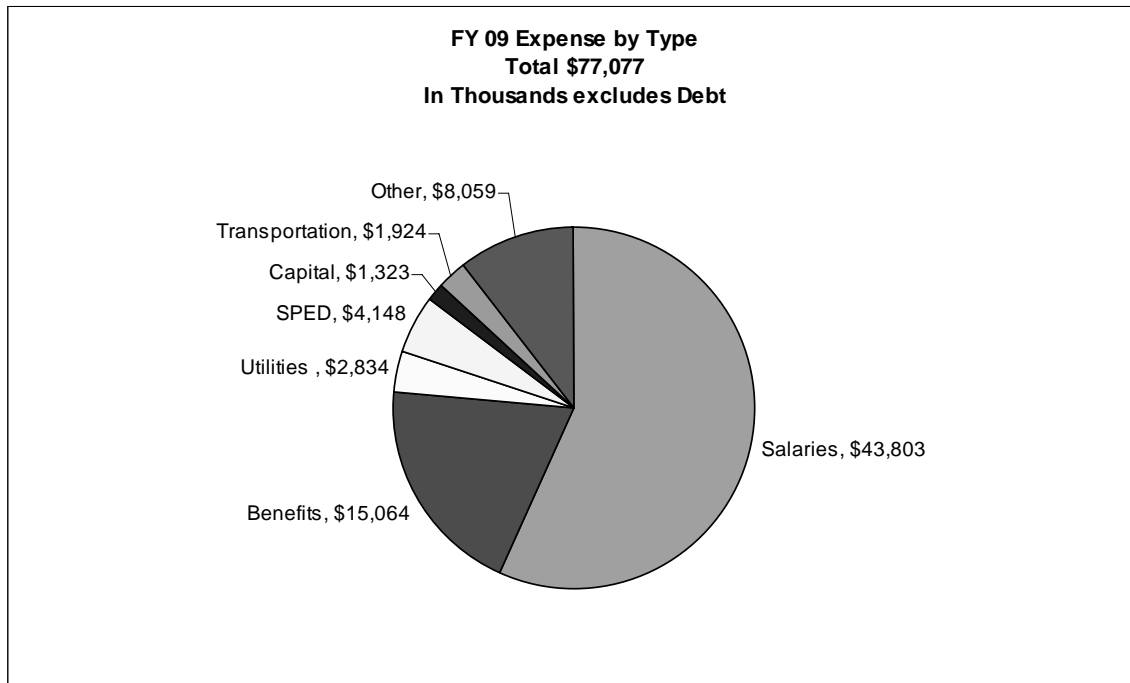
Four organizations control the spending.

Over two-thirds (69%) of our expenditures go to Education and it is controlled by three organizations:

- 1) Acton Public Schools account for 32%
- 2.) Acton Boxborough Regional School District accounts for 36%
- 3.) Minuteman Regional School District accounts for 1% of the total.

The Municipal government, which is the Police, Fire, Highway, Library, Health, Planning and other General Government functions, accounts for 31% of the Total Expenditures.

## What do we spend the money for?



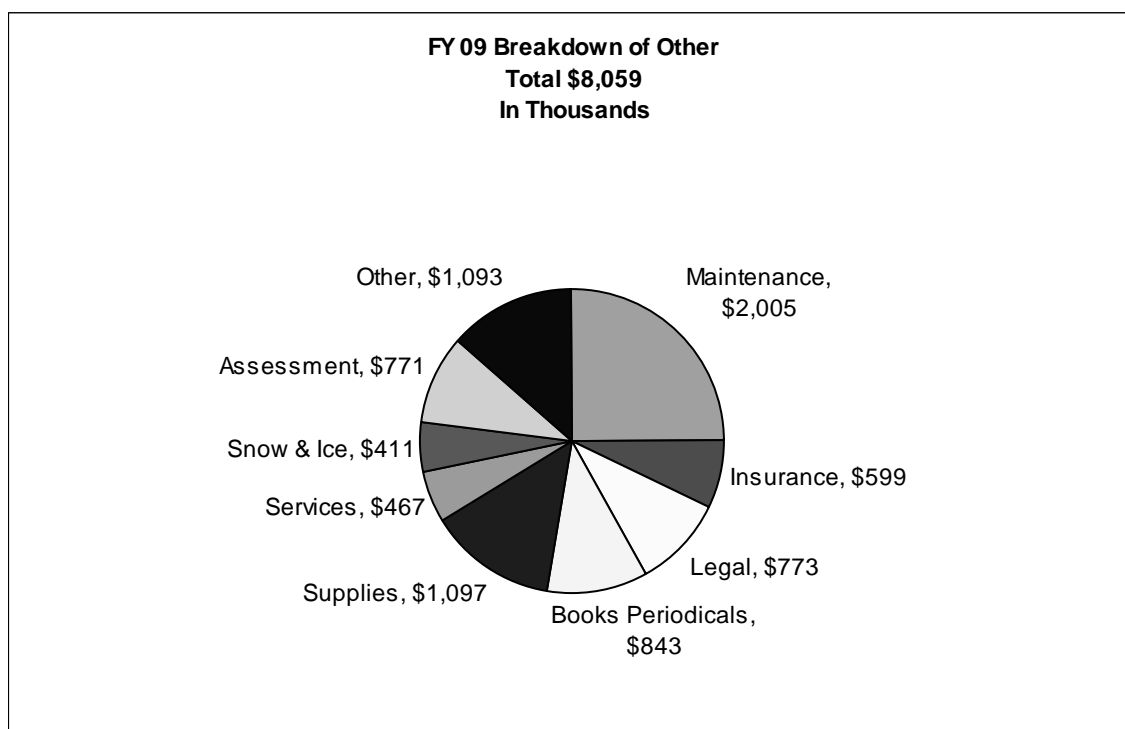
The Town provides education, public safety, and other services to the citizens. By far the largest portion of our expense goes to pay the people that provide the service. Salaries represent 56% of the total. The cost of providing benefits for those employees adds another 20% of the total. In total 76% of our expenditure are for personnel costs.

Of note about personnel cost is that 60% of Town employees and 63% of School employees belong to a collective bargaining unit, either a union or professional association. As a result, compensation and benefits are defined by contracts which are periodically re-negotiated. The Selectmen and School Committee do not have the latitude to freeze or cut salaries or reduce benefits unilaterally to save on expense in the short term.

The Other Category represents 10% of the total and is addressed in more detail below.

- Special Education is 5% of the total and is a relatively hard to predict category. Each child's needs are different and the services required can vary greatly in cost.
- Utilities are 4% of the total and consist of electricity, natural gas and a small amount of heating oil.
- Capital is 2% of the total and is comprised of things such as vehicles, equipment, and building improvements.
- Transportation is 3% of the total and is in large part the cost of operating school buses

The Other category breaks down as follows:



### **Staffing Levels and Compensation**

A discussion of expense would not be complete without considering staffing levels and compensation. By far most of our expenditures are for people so it is appropriate to consider if our staffing levels are high or low when compared against common benchmarks and are we paying a competitive salary for the position.

#### Staffing

In the 2006 -2007 academic year the Acton Public Schools had the highest ratio of students to teachers in the State. Acton Boxborough had the 4<sup>th</sup> highest ratio.

APS was 42% higher than the median and ABRSD was 33% higher than the median

In terms of police officers, Acton has 1.7 officers per 1000 population, 15% below the U.S Department of Justice Guideline of two officers per thousand population.

The National Fire Protection Association guideline for firefighters is 1.9 per thousand population. As with the police officers, Acton is below the guideline, this time by 16%

Our staffing levels for teachers, police and firefighters are below those of most similar towns.

#### Compensation

Our average teacher salary in 2007 was \$63,009 which is 8% higher than the State average. When compared to comparable communities (a), it is only 2% higher than the average.

The midpoint of the salary range for Acton Police Officers is \$41,537 which is 1% below comparable communities. (b) For Fire Fighters it is \$41,245 which is exactly average for the comparable communities. (b)

A compensation study of non-union municipal positions conducted by an outside consultant last year found our pay scales to be 3% below a survey of comparable organizations.

Our compensation levels appear to be competitive but not overly generous.

- (a) Source of data is Massachusetts Department of Education. Comparable communities are per the ALG list. Concord, Canton, Bedford, Westborough, Winchester, Hingham, Dedham, Westwood, Sudbury, Milton, Westford, and Wilmington.
- (b) Source of data is Massachusetts Department of Revenue. Some communities from the ALG list did not participate in the DOR Survey. Maynard, Stow, Burlington, and Groton were added to Canton, Bedford, Westborough, Sudbury, and Dedham from the ALG list



## ***Multi-Year Plan Update***

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The Town's fiscal year ends on June 30th. In our normal process, the planning for the next year would have just begun and it would culminate in February. Because this meeting is occurring early in our planning process, this is more an update of the Plan presented at the last Annual Town Meeting than a completely new look at the revenue and expenses.

In addition to being early in the planning process, this update contains more than the usual amount of unknowns and uncertainties. While every plan is the product of a group of assumptions about the future, most have had more predictability.

Chief among our concerns is the condition of the State's finances. Approximately 17% of our Revenue comes from the state, but the state is at least \$1 billion out of balance. Indeed the budget enacted this July use state reserves to balance the FY09 budget. We are using the assumptions from our last plan but these are not current and we won't know anymore about what may happen with State Aid for another four months or so.

A second area of great concern is that we are in the process of negotiating new contracts with the Police, Fire, and Municipal workers this year. Next year we will be negotiating a new contract with the Teachers and other School employees. Salaries represent 57% of our expenditures. Given that we are in a period of rapid inflationary pressure, our ability to negotiate contracts with 3-4% increases as we have in the past is a source of uncertainty.

A third area of concern is the economy. It has deteriorated since last April with the prospect of inflation in the 5-6% range now seeming very real. This impacts our ability to predict with any degree of certainty what will happen in utility costs, healthcare costs and other non-personnel related categories.

### **The Multi-Year Plan Update FY10-FY12**

This Updated Plan follows the premise of the Plan presented at the last Annual Town Meeting in that the underlying assumptions are similar and the plan envisions the use of reserves for Capital and potentially to cover operating expense deficits so as to avoid or delay the need for a Proposition 2½ Override.

Specifically the assumptions are as follows:

#### **Assumptions**

Revenue	FY10	FY11	FY12
Tax Increase	2.5%	2.5%	2.5%
New Growth	\$600,000	\$600,000	\$600,000
Overlay	-\$600,000	-\$600,000	-\$600,000
Chapter 70	17.9%	13.0%	2.5%
Other Cherry Sheet	4.0%	4.0%	2.5%
Excise Tax	0.0%	0.0%	0.0%
Regional Revenue	14.1%	12.0%	2.5%
Other	2.7%	3.0%	3.0%
Expense			
Salaries Schools	4.5%	4.5%	4.5%
Salaries Towns	4.5%	4.5%	4.5%
Health Care	10.0%	10.0%	10.0%
SPED Tuition	10.0%	10.0%	10.0%
Transportation	5.0%	5.0%	5.0%
Utilities	7.5%	7.5%	7.5%
All Other	3.0%	3.0%	3.0%

**DRAFT**

Revised 9/17/2008

**Multi-Year Plan**

\*All numbers are early projections and are subject to change

<b>Revenues:</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
Tax Levy:	Actuals					
Base	\$ 54,361	\$ 56,521	\$ 58,584	\$ 60,649	\$ 62,765	
2 1/2%	\$ 761	\$ 1,413	\$ 1,465	\$ 1,516	\$ 1,569	
New Growth	\$ 801	\$ 650	\$ 600	\$ 600	\$ 600	
Debt Excl.	\$ 3,332	\$ 3,102	\$ 3,067	\$ 3,012	\$ 3,012	
Overlay	\$ (605)	\$ (650)	\$ (600)	\$ (600)	\$ (600)	
Total Tax Levy (excl. current yr. override)	\$ 58,650	\$ 61,037	\$ 63,116	\$ 65,178	\$ 67,346	
Cherry Sheet	\$ 6,183	\$ 7,021	\$ 8,017	\$ 8,880	\$ 9,102	
SBAB - Twin School	\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	
Excise Taxes	\$ 2,870	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	
Fees	\$ 1,345	\$ 1,233	\$ 1,270	\$ 1,308	\$ 1,347	
Int. Income	\$ 712	\$ 450	\$ 450	\$ 450	\$ 450	
Pension/Pothole/Other	\$ -	\$ -	\$ -	\$ -	\$ -	
Regional Revenue	\$ 4,825	\$ 5,787	\$ 6,601	\$ 7,399	\$ 7,584	
Regional E&D Acton's share	\$ 286	\$ 511	\$ 425	\$ 446	\$ 154	
HS Interest/Bond Prem.	\$ -	\$ -	\$ -	\$ -	\$ -	
Free Cash	\$ 1,594	\$ 450	\$ 430	\$ 1,277	\$ 1,547	
NESWC for capital	\$ -	\$ 750	\$ 1,400	\$ 1,200	\$ 869	
Operating Override						
Capital Override						
<b>Revenues before Overrides</b>	\$ 77,551	\$ 81,270	\$ 85,740	\$ 90,169	\$ 92,431	
<b>Revenues including Overrides</b>	\$ 77,551	\$ 81,270	\$ 85,740	\$ 90,169	\$ 92,431	
<b>Revenue incl override excluding debt/SBAB</b>	\$ 73,133	\$ 77,081	\$ 81,587	\$ 86,070	\$ 88,333	
<b>Debt Exclusion:</b>						
Debt on APS	\$ 517	\$ 527	\$ 527	\$ 527	\$ 527	
Debt on JHS/SHS	\$ 1,778	\$ 1,612	\$ 1,600	\$ 1,575	\$ 1,575	estimates
Municipal Debt Incurred	\$ 520	\$ 454	\$ 440	\$ 420	\$ 420	"
Debt on Police station	\$ 517	\$ 509	\$ 500	\$ 490	\$ 490	"
<b>Total Debt Exclusions</b>	\$ 3,332	\$ 3,102	\$ 3,067	\$ 3,012	\$ 3,012	
<b>Budgets Excluding Debt:</b>						
<b>TOTAL</b>	\$ 72,233	\$ 76,881	\$ 81,564	\$ 85,995	\$ 90,698	
% increase		6.3%	6.1%	5.4%	5.5%	
<b>NET POSITION</b>	\$ 900	\$ 200	\$ 23	\$ 75	\$ (2,365)	
<b>Reserves:</b>						
Free Cash	\$ 1,900	\$ 2,455	\$ 2,475	\$ 1,471	\$ 250	
NESWC	\$ 4,886	\$ 4,469	\$ 3,069	\$ 1,869	\$ 1,000	
E&D	\$ 1,100	\$ 726	\$ 446	\$ 154	\$ 154	
<b>TOTAL</b>	\$ 7,886	\$ 7,650	\$ 5,990	\$ 3,494	\$ 1,404	
<b>Tax Impact:</b>						
Existing Valuation ('000s)	\$ 3,851,376	\$ 3,658,807	\$ 3,701,042	\$ 3,923,462	\$ 4,156,229	
New Growth value ('000s)		\$ 42,235	\$ 35,588	\$ 34,852	\$ 35,788	
Total Valuation ('000s)	\$ 3,851,376	\$ 3,701,042	\$ 3,736,630	\$ 3,958,313	\$ 4,192,017	
Tax Rate	\$ 15.39	\$ 16.86	\$ 17.22	\$ 16.77	\$ 16.35	
SF Value	\$ 542,140	\$ 523,109	\$ 496,954	\$ 521,801	\$ 547,891	
SF Tax Bill	\$ 7,928	\$ 8,051	\$ 8,379	\$ 8,748	\$ 8,957	
% Change		1.29%	4.07%	2.11%	2.25%	2.39%
\$ Change	\$ 123	\$ 328	\$ 177	\$ 193	\$ 209	

Free Cash and E&amp;D Include Regeneration of \$250,000 of Free Cash and \$150,000 of E&amp;D

The FY12 projected deficit will need to be covered by either 1) a tax increase 2) cuts in spending

which would likely require staff or capital spending reduction, Or 3) some combination of tax increase and spending cuts.

One time capital included in Muni and APS budgets total \$1.4M FY10-FY12

\$1M remains in NESWC for potential liabilities

One significant addition is that by extending the projection period into FY12, which was not included in the last plan, one can see that the use of reserves is not adequate to cover the operating deficit. Unless revenues are greater than we expect, or expenses (and thus service levels) are cut, this plan assumes that there will be a difference between expected revenues and expected expenses in FY12 of \$2,365,000 which will need to be covered by: 1) tax increases 2) cuts in operating budgets and/or capital budgets or 3) a combination of 1 and 2.

### **Impact of Uncertainty**

If our assumptions are proved incorrect about State Aid, Collective Bargaining and /or inflation, it will have a material impact on the Updated Multi Year Plan. There are too many possible combinations of assumptions to fully evaluate here. To illustrate the impact of uncertainty on the net position in FY12, the assumptions for four alternative cases are shown on the table below.

<b>Assumption</b>	<b>Plan Update</b>	<b>Alternate Case 1</b>	<b>Alternate Case 2</b>	<b>Alternate Case 3</b>	<b>Alternate Case 4</b>
Growth in State Aid	10.0%	5.0%	2.5%	10.0%	10.0%
Salary	4.5%	5.0%	5.5%	4.0%	3.5%
Healthcare	10.0%	11.0%	12.0%	9.0%	8.0%
Utilities	7.5%	8.5%	9.5%	6.5%	5.5%
SPED	10.0%	11.0%	12.0%	9.0%	8.0%
Transportation	5.0%	6.0%	7.0 %	4.0%	3.0%
Inflation	3.0%	4.0%	5.0%	2.0%	1.0%

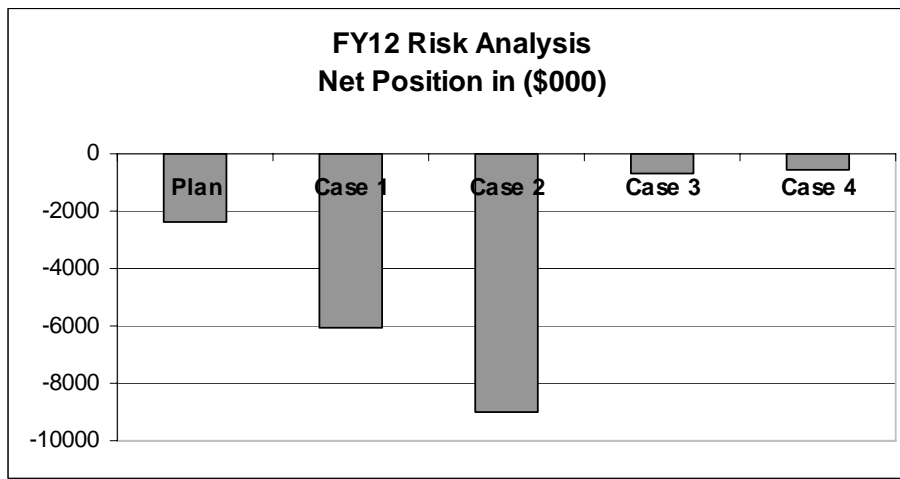
Alternate Case 1 assumes the State, because of its own financial situation, is only able to fund half the anticipated growth in State Aid. The assumptions on cost growth are ½ of one percentage point more on Salaries and 1% point more on everything else.

Alternate Case 2 assumes the State is only able to increase State Aid by 2.5%. The assumption on Salaries is 1% point more than the Plan Update. On everything else the assumption is 2% points higher than the Plan Update.

Alternate Case 3 assumes that State Aid will be as planned, and that Salaries will grow at 4.0%. All other expenditure categories are assumed to grow at a rate 1% point lower than the Plan assumption.

Alternate Case 4 assumes that State Aid will be as planned, and that Salaries will grow at 3.5%. All other expenditure categories are assumed to grow at a rate 2% point lower than the Plan assumption.

The impact of those changes in assumptions on our Net Position in FY 12 is shown on the graph below.



As you can see from the graph the impact of changing assumptions is dramatic.

FY12 shifts from a deficit of \$2,365,000 to approximately \$6 Million in with the Alternate Case 1 assumptions and approximately \$9 Million with Alternative Case 2 Assumptions. But the deficit shrinks to \$686,000 with Alternate Case 3 assumptions and to \$551,000 with Alternate Case 4 assumptions.

The most probable scenario is the Plan Update, and certainly steps could be taken between now and FY12 to curtail spending if the assumptions in either Alternate Case 1 or 2 seemed to be occurring. However, more than half of the increase in deficits in both Alternate Case 1 and 2 results from the drop in State Aid. Decreases in Revenue of that magnitude would be difficult to offset without significant reductions in services.

One of the reasons we have Reserves is to cover for the unknowns and uncertainties in planning for the future. Reserves provide funds to fill the gap temporarily and perhaps even more importantly, Reserves can buy time to deal with the changes in a deliberate and collaborative manner.

Given the uncertain economic conditions, and the major impact of relatively small changes in assumptions, our current level of reserves are not excessive.

## ***Special Town Meeting Warrant***

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To either of the Constables of the Town of Acton, Greetings:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify the legal voters of said Town of Acton, qualified to vote at Town Meeting for the transaction of town affairs, to meet in the Acton-Boxborough Regional High School Upper Gymnasium Field House, 36 Charter Road, Acton, on Thursday, October 2, 2008 at 7:00 PM for a Special Town Meeting, by posting a copy of this Warrant by you attested, at each of the places as directed by vote of the Town, fourteen days at least before the second day of October 2008, then and there to act on the following articles:

**ARTICLE 1                      TRANSFER OF FUNDS TO REDUCE THE TAX RATE**  
(Majority vote)                      (Submitted by Citizens' Petition)

To see if the Town will transfer \$2,414,809 from the Recycling and Transfer Station Enterprise Fund for the purpose of reducing the tax rate for the fiscal year beginning July 1, 2008, or take any other action relative thereto.

### **PETITION**

This Article has been placed on the Warrant for the Special Town Meeting pursuant to a Citizens' Petition reading as follows:

- “Whereas: the average Acton tax bill is scheduled to increase by more than 4% in Fiscal Year 2009 that began 1 July 2008; and  
Whereas: the town has accumulated several million dollars in the Recycling and Transfer Station Enterprise Fund (formerly called the NESWC Enterprise Fund) for a potential liability which no longer exists; and  
Whereas: the available balance in this Fund for the Fiscal Year 2009 is approximately \$4,000,000; and  
Whereas: transferring \$2,414,809 from this Fund would make a tax increase unnecessary;

Therefore, this petition requests that the Acton Board of Selectmen schedule a Special Town Meeting pursuant to M.G.L.Ch. 39 s 10 to see if the voters will approve a transfer of funds to reduce the tax rate for Fiscal Year 2009 per the following Article.”

Direct inquiries to:                      Clint Seward: cseward@verizon.net / (978) 263-3871  
Selectman Assigned:                      Lauren S. Rosenzweig: bos@acton-ma.gov / (978) 264-9611

<b>Recommendations:</b>	<b><u>Board of Selectmen</u></b>	<b><u>Finance Committee</u></b>
	<b>Not Recommended</b>	<b>Not Recommended</b>

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## POSITION SUMMARY PROVIDED VERBATIM FROM THE ACTON VOTERS GROUP

### MESSAGE FROM THE ACTON VOTERS GROUP (www.ActonVotersGroup.com)

Dear Acton Voter:

We appreciate your attending this Special Town Meeting which was called by more than 1,500 Acton registered voters to vote on our proposal to lower Acton's property taxes this year.

For too long, property taxes in Acton have been increasing. The reasons are well known: "Tax to the Max" and "Spend to the Max" budgeting and the use of reserves to cover deficit spending has led to two general overrides in the last five years, contributing to Acton's tax burden, which is among the highest in the Commonwealth.

This year, the town is fortunate to have significant financial reserves of more than \$8 million, which is twice the amount recommended by the Massachusetts Department of Revenue (DOR). These reserves were created primarily by two unusual events. First, we have received large increases in education aid from the state, and second, we learned that a multi-million dollar NESWC fund raised to "re-cap the landfill" at the transfer station was no longer needed.

Taxpayers have subsidized this NESWC fund for many years. The Acton Voters Group carefully evaluated the town's financial needs and the current economic situation and decided to ask that half (\$2.4 million) of this fund be used to lower the property tax rate this fiscal year. This will leave the town with more than adequate reserves.

If the article is approved, the average single-family property tax bill will remain at about \$8,051, and families will see a one-time savings of about \$328.

There are many constituencies who look upon that NESWC fund as a source for their projects. They would much rather have the town keep all the money so it can be spent.

How do we know that the town plans to spend these reserves? **Because it is shown in the 3-year "ALG Plan" printed elsewhere in this Warrant.** (Our suggested changes are also available in this warrant for comparison purposes.)

If the spending as shown in the ALG Plan takes place, then at the end of FY12, there will only be \$1 million left. **This means that the ALG Plan would have Acton use up almost all its reserves in the next three years.**

On top of that, under the ALG Plan, budgets will continue to grow as if there is no recession. **Budgets are scheduled to increase more than 6% a year** for two years. Also troubling is the ALG plan to use reserves to fund recurring operations. **This is a practice strongly discouraged by the DOR.** And, finally, there is a surprise for taxpayers in FY12: a **budget deficit** of at least \$2.4 million and maybe as much as \$7 million, forcing a vote on a **general override**.

**There is another approach.** The Acton Voters Group took the same "ALG Plan" and made one different assumption: we set budget growth to available recurring revenue levels (i.e., did not use reserves) which resulted in about 4% growth per year instead of 6%. Note what happens: The reserves are kept intact, and Acton will see balanced budgets. It's all about controlling spending to available recurring revenues. **We do not use reserves to finance increases in spending.**

Acton Voters Group's analysis shows that if spending is controlled, we will probably not face budget deficits, will not need to use reserves to cover recurring expenses, and will not need a large general override in less than three years: the exact opposite of the ALG Plan.

The spending advocates argue that if the economy grows worse, the town will need these reserves to make ends meet. **We strongly disagree.** If revenues are lower, we must reduce spending, not borrow from our reserves.

**Using reserves to fund recurring operational expenses should NEVER be done. The town has made that mistake before and it shouldn't do so again.**

So use your judgment and vote **YES** to give taxpayers a property tax reduction this year while still maintaining all town and school services and leaving an adequate reserve. Send a message to our town boards and committees that we should all work together to reexamine and refine Acton's long-term strategies so that the interests of the taxpayers and the needs of the town are fully met and fairly balanced. Please visit the AVG website for more information.

Clint Seward  
Chairman  
Acton Voters Group

Charlie Kadlec  
Steering Committee, AVG  
Former Chair, Acton FinCom

Allen Nitschelm  
Steering Committee, AVG  
Former Member, FinCom

# POSITION SPREADSHEET PROVIDED VERBATIM FROM THE ACTON VOTERS GROUP

The ALG Plan with changes suggested by the Acton Voters Group  
Suggested changes by the Acton Voters Group are shown in *italics*

1. \$ 2,414,809 transfer to reduce taxes in FY09 per this Special Town Meeting
2. Reserves not used for recurring expenses
3. Balanced budgets, yearly increases consistent with revenue
4. All other ALG Plan assumptions and values are unchanged

			DRAFT		Revised 9/17/2008			
Multi-Year Plan			*All numbers are early projections and are subject to change					
Revenues:		FY08	FY08	FY09	FY10	FY11	FY12	
Tax Levy:			Actuals					
Base	\$	54,361	\$ 54,361	\$ 56,521	\$ 58,584	\$ 60,649	\$ 62,765	
2 1/2%	\$	761	\$ 1,359	\$ (1,002)	\$ 1,465	\$ 1,516	\$ 1,569	
New Growth	\$	650	\$ 801	\$ 650	\$ 600	\$ 600	\$ 600	
Debt Excl.	\$	3,332	\$ 3,332	\$ 3,102	\$ 3,067	\$ 3,012	\$ 3012	
Overlay	\$	(500)	\$ (605)	\$ (650)	\$ (600)	\$ (600)	\$ (600)	
Total Tax Levy (excl. current yr. override)	\$	58,604	\$ 59,248	\$ 58,622	\$ 63,116	\$ 65,178	\$ 67,346	
Cherry Sheet	\$	6,066	\$ 6,183	\$ 7,021	\$ 8,017	\$ 8,880	9,102	
SBAB - Twin School	\$	1,086	\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	
Excise Taxes	\$	3,100	\$ 2,870	\$ 2,945	\$ 2,945	\$ 2,945	\$ 2,945	
Fees	\$	1,365	\$ 1,345	\$ 1,233	\$ 1,270	\$ 1,308	\$ 1,347	
Int. Income	\$	368	\$ 712	\$ 450	\$ 450	\$ 450	\$ 450	
Pension/Pothole/Other	\$	-	\$ -	\$ -	\$ -	\$ -	-	
Regional Revenue	\$	4,825	\$ 4,825	\$ 5,787	\$ 6,601	\$ 7,399	7,584	
Regional E&D Acton's share	\$	286	\$ 286	\$ 511	\$ 425	\$ 446	\$ 154	
HS Interest/Bond Prem.	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	
Free Cash	\$	1,594	\$ 1,594	\$ 450	\$0	\$0	\$0	
NESWC for capital + transfer	\$	-	\$ -	\$ 3,165	\$0	\$0	\$0	
Operating Override								
Capital Override								
Revenues before Overrides	\$	77,294	\$ 78,149	\$ 81,270	\$ 83,910	\$ 87,692	\$ 90,015	
Revenues including Overrides	\$	77,294	\$ 78,149	\$ 81,270	\$ 83,910	\$ 87,692	\$ 90,015	
Revenue incl override excluding debt/SBAB	\$	72,876	\$ 73,731	\$ 77,081	\$ 79,757	\$ 83,593	\$ 85,917	
Debt Exclusion:								
Debt on APS	\$	517	\$ 517	\$ 527	\$ 527	\$ 527	\$ 527	estimates " "
Debt on JHS/SHS	\$	1,778	\$ 1,778	\$ 1,612	\$ 1,600	\$ 1,575	\$ 1,575	
Municipal Debt Incurred	\$	520	\$ 520	\$ 454	\$ 440	\$ 420	\$ 420	
Debt on Police station	\$	517	\$ 517	\$ 509	\$ 500	\$ 490	\$ 490	
Total Debt Exclusions	\$	3,332	\$ 3,332	\$ 3,102	\$ 3,067	\$ 3,012	\$ 3,012	
Budgets Excluding Debt:								
Municipal Budget	\$	22,325	\$ 22,325	\$ 23,614	24,488	25,467	26,397	
APS Budget	\$	23,310	\$ 23,310	\$ 24,974	25,898	26,934	27,917	
ABRSD Budget - Acton Share *	\$	25,811	\$ 25,811	\$ 27,522	28,540	29,682	30,765	
MM Assumption	\$	787	\$ 787	\$ 771	\$ 794	\$ 818	\$ 842	
Subtotal schools	\$	49,995	\$ 49,908	\$ 53,267	\$ 55,232	\$ 57,434	\$ 59,524	
TOTAL	\$	72,320	\$ 72,233	\$ 76,881	\$ 79,720	\$ 82,901	\$ 85,921	
% increase				6.3%	3.7%	4.0%	3.6%	
NET POSITION	\$	556	\$ 1,498	\$ 200	\$ 37	\$ 692	\$ (5)	
Reserves:								
Free Cash	\$	2,405	\$ 1,900	\$ 2,455	\$ 2,905	\$ 3,192	\$ 4,134	
NESWC	\$	4,886	\$ 4,886	\$ 2,054	\$ 2,054	\$ 2,054	\$ 2,054	
E&D	\$	1,100	\$ 1,100	\$ 726	\$ 446	\$ 154	\$ 154	
TOTAL	\$	8,391	\$ 7,886	\$ 5,235	\$ 5,405	\$ 5,400	\$ 6,342	
Tax Impact:								
Existing Valuation ('000s)	\$	3,851,376	\$ 3,851,376	\$ 3,658,807	\$ 3,701,042	\$ 3,924,984	\$ 4,157,828	
New Growth value ('000s)				\$ 42,235	\$ 37,038	\$ 34,852	\$ 35,802	
Total Valuation ('000s)	\$	3,851,376	\$ 3,851,376	\$ 3,701,042	\$ 3,738,080	\$ 3,959,836	\$ 4,193,630	
Tax Rate	\$	15.39	\$ 15.39	\$ 16.20	\$ 17.22	\$ 16.76	\$ 16.34	
SF Value	\$ 542,140	\$ 523,109	\$ 523,109	\$ 496,954	\$ 496,954	\$ 521,801	\$ 547,891	
SF Tax Bill	\$ 7,928	\$ 8,051	\$ 8,051	\$ 8,051	\$ 8,555	\$ 8,745	\$ 8,954	
% Change		1.29%	1.29%	-0.01%	6.27%	2.21%	2.39%	
\$ Change			\$ 123	\$ (0)	\$ 505	\$ 189	\$ 209	

Free Cash and E&D Include Regeneration of \$250,000 of Free Cash and \$150,000 of E&D

## **POSITION SUMMARY PROVIDED BY THE BOARD OF SELECTMEN**

This Special Town Meeting has been called because of a citizens' petition to reconsider the funding mechanism for the FY2009 budget that was approved by the voters at the April 2008 Annual Town Meeting. The funding mechanism approved by the voters at Town Meeting was to manage the budget within the limits of Proposition 2½. The AVG petition would prefer to fund the FY2009 budget with money diverted from the NESWC reserve fund and to utilize these reserve monies for normal Town operations.

The Board of Selectmen has voted to not recommend this article.

There are three primary reasons that the Selectmen are opposed to this article.

**First**, the voters at Town Meeting already approved the FY2009 budget. The town leadership engages in a year-long public process that culminates with the presentation of a balanced budget at Town Meeting every April for the consideration of the voters. In contrast, this after-the-fact proposal deals only with the revenue side of the budget without any regard to the long term consequences of the proposal, and it does so in a rushed manner with an absolute minimum of public participation (45 days from filing to Special Town Meeting). This proposal could have been brought to the citizens and to the town leadership for consideration as part of the year long public process leading to the FY2009 budget where it could have received the appropriate level of analysis in the context of the entire budget. Indeed, the FY2008 budget that was proposed by the town leadership and passed by Town Meeting did something similar to what is proposed by the AVG, but on a smaller scale and with deliberate and proper attention to both the revenue and spending sides of the budget.

**Second**, we are entering a time of extreme financial volatility. The town leadership believes strongly that it is fiscally prudent to maintain reserves in anticipation of the problems that may occur over the next couple of years. The State Budget is already \$1 billion in the red and there is an initiative on the November ballot that, if passed, will eliminate the State income tax. Whenever the State encounters financial trouble, it cuts aid to municipalities. With sufficient reserves, the town should be able to maintain service levels for the next couple of years without needing a Proposition 2½ override, even with cuts in State Aid.

The AVG proposal would spend one-third of the town's total reserves on this year's operating budget. Acton currently holds reserves that are equal to 9% of our annual budget. A survey of 12 Massachusetts towns that are comparable to Acton (Concord, Westford, Winchester, Canton, Sudbury, Dedham, Hingham, Milton, Westborough, Wilmington, Bedford, and Westwood) indicates that each has a similar level of reserves. If the AVG proposal is approved, Acton's reserves will drop to 6½% of the FY09 budget. This is at the bottom level of the list of comparable communities and would leave the town in a precarious position, particularly in this uncertain economic environment.

**Third**, if this initiative passes, it will have negative long-term consequences on Acton's fiscal health. The immediate impact will be to severely reduce or eliminate investments in new capital infrastructure in FY2010 (financing school capital projects, accelerating the construction of sidewalks, expanding the Senior Center, investing in Green Initiatives that save energy costs in the long run, etc). A potential side effect of such an inability to invest in the town infrastructure is a reduction in the town's currently excellent bond rating, thereby increasing our debt. And ultimately, the passage of this proposal will hasten the need to consider a potential Proposition 2½ Operating Override or substantial cuts in services.



**POSITION SUMMARY PROVIDED BY THE BOARD OF SELECTMEN**

The following chart summarizes the Finance Committee's three-year budget projection based on the best information available at this time. As can be seen, the AVG proposal will result in a budget shortfall in three of the next four years. In contrast, maintaining the town's reserves will allow for continued rational and deliberate economic planning.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>ALG Plan</b>	Balanced	Balanced	Balanced	Shortfall*
<b>Citizen Petition w/ 6% property tax increase in FY10</b>	Balanced	Balanced	Shortfall*	Shortfall*
<b>Citizen Petition w/ 2½% increase in FY10</b>	Balanced	Shortfall*	Shortfall*	Shortfall*

\*A shortfall means that the town's income is not sufficient to sustain existing service levels. When shortfalls occur the town must choose between a Proposition 2½ override, significant cuts in budgets or spending down reserves (if available). In that the vast majority of the town and the schools budgets are dedicated to personnel, significant cuts in budgets generally require cutting personnel.

The Board of Selectmen urges you to vote NO on this warrant article.

## **POSITION SUMMARY PROVIDED BY THE FINANCE COMMITTEE**

The Finance Committee voted 8-1 NOT to recommend the article advanced by the petitioners which would use \$2.4 million of Acton's reserves to reduce the tax rate for the current (FY09) budget year. To reach their opinion, the Finance Committee reviewed the multi-year plan which was presented to last April's Annual Town Meeting and several preliminary scenarios of the impact of the petitioners' proposed action on that plan in the coming years. The nearly unanimous opinion of the Finance Committee is that approving the action in the petition is fiscally imprudent given the uncertainty in the near term with respect to revenues. While the Finance Committee, as a whole, supports the reduction of taxes for citizens, we believe it cannot be done in a vacuum without considering the impact of such a decision on not only this year's budget, but future budgets as well. Unless future projections of revenues and expenses paint a rosier picture than what we are currently seeing, we do not believe it is likely that the current level of services can continue if this action is undertaken at this time.

### **Timing/Process**

From August through April of last year, the Finance Committee worked with the Board of Selectmen and the School Committees to develop a three-year planning document, which identified sources of revenues and levels of expenditures that could be supported by those revenues. This plan was refined through a series of meetings and public hearings (approximately 30 such opportunities for public participation) and was presented to last April's Annual Town Meeting. Through its approval of these budgets, Town Meeting accepted the spending and funding portions of the plan. If Town Meeting wishes to revisit this decision by changing the funding mechanism for the FY09 budgets, then the Finance Committee believes it is crucial that Town Meeting participants understand the long-term impacts of this decision on future budgets. While the petitioners are clear that this decision will have no effect on the current year's budgets, they are silent on the impact on future budgets. When asked at the September 9, 2008 Finance Committee meeting regarding details of their plan, they asserted that they had no plan.

In the development of budgets for town and schools, Acton follows a rigorous process, which reflects the recommendations of the Massachusetts Department of Revenue regarding the need for a budget process which comprises "the entire set of steps by which the final product, the budget document, is created and managed." The schools and town are in the midst of the early planning for the FY10 budget, requesting information about needs and changes in services from departmental managers and constituents. The Board of Selectmen and the School Committees are discussing budget priorities. The Finance Committee is working with town and school staff on budget drivers and revenue estimates, and the impact of other external forces on the development of our budgets (e.g., utility costs and the general state of the economy). Both town and school managers are "closing the books" on the previous fiscal year, and audits are yet to be conducted. We believe it is too soon to be changing the plan for the current fiscal year, but fully intend to consider reducing the tax burden for taxpayers as part of the priorities for the development of the next fiscal year budget. We believe it is fiscally prudent to tie any tax reduction to budgeting decisions, as we did when the Finance Committee supported a reduction in the tax burden in FY08.

### **Future Revenues Uncertain**

The primary reason that the Finance Committee did not recommend taxing less than the full amount allowed by Proposition 2½ in FY09 stemmed from the rumblings in the economy, which began to become apparent as a looming force in the early months of 2008. Indeed, the Finance Committee successfully urged the School Committees and the Board of Selectmen to reduce their proposed budgets by \$400,000 each, just a month before Annual Town Meeting, to reflect the sobering economic news.

## **POSITION SUMMARY PROVIDED BY THE FINANCE COMMITTEE**

The Finance Committee has been evaluating the impact of the national economic picture on our town finances over the summer months. We are concerned that State revenues will be substantially less than previous estimates, even in the area of Chapter 70 – education aid, where both Acton and Acton-Boxborough Regional schools have received significant increases in the last three years. We have reviewed analysis by the Massachusetts Municipal Association that state revenues could be decreased by as much as 40 percent, if the ballot question to repeal the state income tax were to pass on the November ballot. The uncertainty that consumers feel about the economy will have a dampening effect on other sources of revenue as well: fewer new cars will be purchased, and fewer new houses will be built. These will lower the expected revenues to the town from Motor Vehicle Excise tax and from new growth. Finally, the Finance Director reported at our meeting in August that slower tax collections and more requests for tax abatements are to be expected as a result of the worsening economy, and the impact that this is having on individual taxpayers. This also will reduce available revenues.

### **Future Expenditures Uncertain**

Energy costs, which are stressing our own household budgets, will have an effect on governmental budgets as well. We have budgeted prudently for these expenditures (heating, light, gasoline for transportation) but are prepared for changes in these estimates. Collective bargaining agreements for all five town units will need to be negotiated this year, and the impact of those agreements on future years is unknown.

### **Capital Needs of Town and Schools Need to be Planned For**

The Finance Committee recognizes that there are outstanding capital needs for both town and schools that need to be addressed, and has encouraged both the Board of Selectmen and the School Committees to attend to these needs, believing that prudent expenditure of capital dollars in a timely fashion can save taxpayers money by anticipating repairs and by improving facilities in a way that makes them more energy-efficient. For example, in this last Annual Town Meeting, the Finance Committee supported the purchase of energy-efficient streetlights and the improvements to boilers at Conant, Douglas and Gates Schools. The Finance Committee has supported the use of reserves (whether free cash or careful disbursements from the NESWC funds) to attend to these needs. We believe that holding the NESWC funds in reserve allows the town to cope with some of these capital needs, which will still need to be tended to, even in the face of reduced revenues.

We believe that such expenditures are prudent and in the best interests of the taxpayers, and that the time for considering tax reductions will be as we develop budgets for the coming fiscal year. The proposal to spend NESWC money on reducing the tax rate, however commendable in its intent, is ill-timed and inappropriate in the extremely uncertain economic times, and therefore the Finance Committee believes that it should be defeated.

**ARTICLE 2                    COMMUNITY PRESERVATION FUND – APPROPRIATIONS  
FROM EXISTING OPEN SPACE SET-ASIDE (PIPER LANE PARCELS)  
AND RELATED ACTIONS**

To see if the Town will vote to:

- (a) authorize the Board of Selectmen to acquire by purchase, gift, eminent domain or otherwise, on such terms and conditions as the Selectmen may determine, two parcels of land with the buildings and improvements thereon depicted on Assessors' Map H3A as parcels 4 and 4-1, consisting respectively of approximately 5.51 acres of forested open space abutting the Great Hill Conservation Area and approximately 17,325 square feet of land with a 3-bedroom residential structure built *circa* 1840;
- (b) transfer, appropriate and expend, pursuant to the favorable recommendation of the Community Preservation Committee from the existing Open Space Set Aside portion of the Community Preservation Fund balance a sum not to exceed \$730,000 toward the purchase and restriction thereof consistent with this article;
- (c) raise, appropriate, transfer from available funds or accept gifts of such additional funds as are necessary to accomplish the purposes of this article;
- (d) authorize the Board of Selectmen to reconfigure the area and lot lines of parcels 4 and 4-1 and to take all other necessary actions so as to render reconfigured parcel 4-1 conforming to zoning or otherwise lawful for continued single family residential use (the "House Lot");
- (e) authorize the Board of Selectmen to impose a perpetual Historic Preservation Restriction and/or a perpetual Conservation Restriction on all or a portion of the land, buildings and improvements comprising the House Lot on such terms and conditions as the Selectmen may determine;
- (f) authorize the Board of Selectmen to impose a perpetual Conservation Restriction on such terms and conditions as the Selectmen may determine on the entire remainder of parcels 4 and 4-1 (if any) not made part of the House Lot so as to protect and preserve said land as part of the Great Hill conservation area in perpetuity, with said restriction to be enforceable (in addition to the Town) by the commonwealth or by a nonprofit, charitable corporation or foundation as determined by the Selectmen (the "Conservation Land");
- (g) transfer the restricted House Lot from the Board of Selectmen to Board of Selectmen for the purposes of sale and sell and convey the restricted House Lot on such terms and conditions and for such consideration as the Selectmen may determine which consideration shall be no less than the appraised value of the restricted House Lot;
- (h) transfer the net proceeds of such sale of the restricted House Lot from the general fund to the Community Preservation Fund Open Space Set-Aside; and
- (i) authorize the Board of Selectmen to delegate the management of the Conservation Land to the Conservation Commission subject to the perpetual Conservation Restriction as aforesaid;

or take any other action relative thereto.

**SUMMARY**

This article would make appropriations from the Open Space Set-Aside portions of the Town's Community Preservation Fund. In 2002, the Town adopted the Community Preservation Act, Massachusetts General Laws Chapter 44B (the Act). This established Acton's Community Preservation Fund through a 1.5% annual surcharge on real estate property tax bills with certain exemptions, and made the Town eligible to receive annually additional monies from the Massachusetts Community Preservation Trust Fund, which are added to the Town's Community Preservation Fund. Under the Act, the Community Preservation Fund may be used to acquire, create and preserve open space; to acquire, preserve, rehabilitate, and restore historic resources; to acquire, create, preserve and support community housing; to acquire, create and preserve land for recreational use; to rehabilitate and restore open space, land for recreational use and community housing that is acquired or created with CPA funds; and for certain related expenses in support of the foregoing. In 2004, 2005, 2006, 2007 and 2008 the Acton Annual Town Meeting voted to "set-aside" certain Community Preservation Act Funds for the purchase of Open Space. This set-aside balance is currently \$1,750,000.

As proposed, the Town would purchase two co-mingled parcels known as lots H3A-4 and H3A-4-1. Lot H3A-4 consists of 5.51 acres of forested open space abutting the Great Hill Conservation Area, while Lot H3A-4-1 consists of 17,325 (0.40) acres of land and includes a 3-bedroom residential structure built circa 1840 and currently listed on the Town of Acton Historical Cultural Resource List. Upon purchase all but approximately 2,675 square feet of the open space parcel will be placed under a permanent Conservation Restriction so as to protect and preserve the parcel as part of the Great Hill conservation lands. Also upon purchase, a Historic Preservation Restriction will be placed on the existing 1840 residential structure to ensure its permanent protection as a cultural resource of the Town. The existing 17,325 square foot house lot will be increased by the above 2,675 square feet so as to increase the house lot area to 20,000 square feet and bring it into compliance with local zoning. The house and house lot will then be placed for sale on the open market, with the proceeds of such sale being returned to the Community Preservation Fund Open Space Set-Aside.

The above parcels are available and offered to the town by a private owner through the efforts of the Acton Conservation Trust and the Town of Acton Open Space Committee. In accordance with the goals of the Community Preservation Fund, purchase of these parcels would accomplish three of the goals of the CPA: the preservation of a key parcel of open space abutting the Great Hill conservation lands, the protection of the visual character of the South Acton Historic District, and the protection of a listed cultural resource through the permanent preservation of the 1840 residential structure which might otherwise be demolished and destroyed. It is of note that many Actonians have used this land for years not knowing that it is in private ownership: In addition the land in question is at a higher elevation than the nearby South Acton Historic District. Therefore any development of this parcel would likely rise above the District and the historic homes therein. Such a change would adversely affect the district.

Direct inquiries to: Andrew D. Magee, Selectman: [bos@acton-ma.gov](mailto:bos@acton-ma.gov) / (978) 264-9611

<b>Recommendations:</b>	<b><u>Board of Selectmen</u></b>	<b><u>Finance Committee</u></b>
	<b>Deferred</b>	<b>Deferred</b>

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And you are directed to serve this Warrant by posting attested copies thereof fourteen days at least before the time of said meeting, in not less than six public places in Town, to be designated by the Board of Selectmen.

Hereof fail not, and make due return of this Warrant, with your doings thereon, to the Town Clerk, at or before the time of said meeting.

Given under our hands at Acton this eighteenth day of September, 2008.

Lauren S. Rosenzweig, Chair  
Paulina S. Knibbe, Vice-Chair  
Andrew D. Magee, Clerk  
Peter J. Berry  
Terra Friedrichs

**Board of Selectmen**

A true copy, Attest:

Constable of Acton

## ***Glossary of Terms Commonly Used in Municipal Finance***

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**Abatement:** A complete or partial cancellation of a tax bill imposed by a governmental unit; applicable to tax levies and special assessments.

**Appropriation:** An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and the time when it can be expended. Any amount that is appropriated may be encumbered.

A warrant article appropriation is carried forward from year to year until spent for the designated purpose or transferred by town meeting vote to another account.

**Assessed Valuation:** The value placed upon a particular property by the local Board of Assessors for the purpose of apportioning the town's tax levy among individual property owners equitably and in accordance with the legal requirement that property be assessed at "full and fair cash value", certified periodically by the Commonwealth's Commissioner of Revenue (no less frequently than once every three years.)

**Audit:** Work done by accountants in examining financial reports, reviewing compliance with applicable laws and regulations, reviewing effectiveness in achieving program results. A basic audit examines only the financial reports and legal compliance. An outside Certified Public Accountant (CPA) audit is directed primarily toward the expression of an opinion as to the fairness of the financial statements and submission of a management letter. An auditor must be independent of the executive branch of government. A state auditor, private CPA or public accountant, or elected auditor meets this test.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or government unit at a specified date.

**Budget:** A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. A budget may be preliminary (the financial plan presented to the town meeting) or final (the plan approved by that body).

**Capital Budget:** A plan of proposed capital outlays and the means of financing them for the current fiscal period. It is usually a part of the current budget.

**Capital Exclusion:** A vote to exclude from the levy limit the cost of a capital project. This exclusion only affects the levy limit for the year in which the project was undertaken.

**Cemetery Land Fund:** A fund established to which revenues are earmarked for the acquisition of land development costs on designated cemetery land purchases.

**Cherry Sheet:** An annual statement received from the Massachusetts Department of Revenue detailing estimated receipts for the next fiscal year for the various state aid accounts and estimated state and county government charges payable by the Town in setting the tax rate. The actual receipts and charges may vary from the estimates.

**Classification:** The division of the real estate tax and personal property voted by the Selectmen. The Selectmen may choose one rate for residences, another rate for business, and another rate for open space.

**Debt Exclusion:** A vote to exclude from the levy limit the costs of debt service for capital projects. This exclusion remains in effect for the life of the debt only.

**Debt Service:** Payment of interest and principal related to debt.

**Encumbrance:** Obligations such as purchase orders, contracts, salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved.

**Enterprise Fund:** A fiscal entity with a self-balancing set of accounts that is utilized to account for a governmental service when it is the intent to recover the total costs of service, including depreciation, primarily through user charges and may be supplemented by taxes.

**Equalized Valuation:** The value of all property as determined by the Commissioner of Revenue biennially, to place all property in the state upon an equal footing, regardless of date of assessment.

**Excess And Deficiency:** Also called the "surplus revenue" account, this is the amount by which cash, accounts receivable, and other assets exceed a regional school district's liabilities and reserves as certified by the Director of

Accounts. The calculation is based on a year-end balance sheet which is submitted to the Department of Revenue by the district's auditor, accountant, or comptroller as of June 30. The regional school committee must apply certified amounts exceeding five percent of the district's prior year operating and capital costs to reduce the assessment on member cities and towns.

**Expenditure:** The spending of money by the town and schools for the programs or projects within the approved budget.

**FTE:** A full-time equivalent employee based on a 40-hour work week. May be one or more employees, but the total weekly hours equal 40.

**Fiscal Year ("FY"):** A 12-month period, beginning July 1 and ending June 30, to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. The numbers of the fiscal year is that of the calendar year in which its ends; for example, FY09 or FY 2009 is the fiscal year which begins July 1, 2008 and ends June 30, 2009.

**Free Cash:** Certified each July 1 by the State, this is the portion of Undesignated Fund Balance available for appropriation. It is not cash but rather is approximately the total of cash and receivables less current liabilities and earmarked reserves, reduced also by reserves for uncollected taxes.

**Fund:** An accounting entity with a self-balancing set of accounts that is segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

**General Fund:** The fund into which the general (non-earmarked) revenues of the town are deposited and from which money is appropriated to pay expenses.

**General Obligation Bonds:** Bonds issued by the Town that are backed by the full faith and credit of its taxing authority.

**Overlay:** The amount raised from the property tax levy in excess of appropriations and other charges. It is used to cover abatements and exemptions granted locally or on appeal, and cannot exceed an amount deemed reasonable by the Commissioner of Revenue.

**Override:** A vote to increase the amount of property tax revenue that may be raised over the levy limit.

**Personnel Services:** The cost of salaries, wages and related employment benefits.

**Purchased Services:** The cost of services that are provided by a vendor.

**Property Tax Bill:** The amount produced by multiplying the assessed valuation of property by the tax rate. The tax rate is expressed per thousand dollars of assessed valuation, for example:

House Value:	\$ 300,000	
Tax rate:	\$ 10	which means \$10 per thousand
Result:	\$ 3,000	

**Raise:** A phrase used to identify a funding source for an expenditure which refers to money generated by the tax levy or other local receipt.

**Reserve Fund:** A fund appropriated each year that may be used only by vote of the Finance Committee for "extraordinary or unforeseen expenditures."

**Revolving Fund:** Those funds that may be used for special uses. For example, Recreation fees may be paid into a revolving fund, and expenditures can be made without appropriation with the approval of the Town Manager. Revolving funds are established by state law or town bylaw. Some revolving funds must be annually reauthorized by Town Meeting.

**Tax Levy:** Total amount of dollars assessed in property taxes imposed by the Town each fiscal year.

**Unreserved Fund Balance or Surplus Revenue Account:** The amount by which cash, accounts receivable and other assets exceed liabilities and restricted reserves. It is akin to the stockholders equity account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)



## ***Town Meeting Parliamentary Procedure***

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Town Meeting is an old and honored tradition in New England. After more than 200 years we can say it still works – it does its job – and hopefully it's more than a little enjoyable for you, the voters. It's also the only form of government where the leaders must face the citizenry directly to answer all reasonable queries – and perhaps even some not so reasonable! However, to work well it must have rules of order – and it does. Town Meetings operate under what is generally called “parliamentary procedure” – in our case, as spelled out in Town Meeting Time. Unfortunately, this wonderful little book is widely read only by Moderators, Town Clerks, Town Counsels and a few others with unusual tastes. In addition to such formal procedures Town Meetings also are subject to relatively arbitrary rules of order set forth by the Moderator and precedent. The following information puts forth the most widely used of these “rules of the road” as an effort to help you enjoy and participate in our Town Meetings.

### **Moderator's Rules**

These are quite arbitrary, but hopefully are consistently applied:

1. Any registered voter may speak to any article, but all must speak politely and respectfully to other voters and members of town boards. Civility is not an option.
2. Since many voters may wish to speak, brevity of comment is appreciated. In addition, speakers are encouraged to add new points to the debate as opposed to repeating what others have already stated.
3. Voters may speak to an issue more than once, but generally “first time” speakers will be recognized before “repeaters”.
4. Remember to listen closely to the motion as stated. The motion puts the warrant article “in play” and it is the motion that is voted on, not the article as written in the warrant. However, there should be a strong similarity between motion and article.
5. Most motions must be “seconded”. Seconding motions is an easy way for newcomers to participate in the meeting. One does not even need to stand or be directly recognized. Generally calling out “second” at the right time will suffice.
6. Voting is most often done by voice. As the Moderator's hearing fails, “standing” counts may be taken. The last resort, due to time constraints, is to take a counted vote by teller.
7. Although not encouraged, the Moderator's judgment can be questioned as to the accuracy of the vote as announced. If seven (7) people request a “recount” of a voice or standing votes, it shall be done.
8. The Moderator will generally accept the motion to “move the previous question”, or more easily understood, “to cut off debate.” Many people think this motion is somewhat unfair, but it has been my experience that, more often than not, it is passed unanimously or by overwhelming numbers. In the past, the moderator has been accused of knowing who plans to make such a motion – generally such accusations are accurate!
9. After a motion has been made and seconded, the mover of the motion speaks first, followed by the appropriate Town Boards (generally the Selectmen and the Finance Committee) who state their opinions. The motion is then available for general discussion – pro, con, or questions.
10. Other than when seconding a motion or requesting a point of order, speakers must be recognized by the Moderator before they launch into their point or question. For the most part this “rule of the road” is rigorously enforced.

## More Formal Parliamentary Procedure

There are many types of motions that may come before a meeting. The table below is far from all-inclusive, but indicates the most commonly used motions.

Motion	Second Required	Debatable	Amendable	Vote Required	May Reconsider	May Interrupt
<b>Dissolve</b>	Yes	No	No	Majority	No	No
<b>Fix the Time to Adjourn</b>	Yes	Yes	Yes	Majority	Yes	No
<b>Lay on the Table</b>	Yes	No	No	Two-thirds	Yes	No
<b>Previous Question</b>	Yes	No	No	Two-thirds	No	No
<b>Limit Debate</b>	Yes	No	No	Two-thirds	Yes	No
<b>Postpone to a Time Certain</b>	Yes	Yes	Yes	Majority	Yes	No
<b>Amend</b>	Yes	Yes	Yes <sup>1</sup>	Majority	Yes	No
<b>Postpone Indefinitely</b>	Yes	Yes	No	Majority	Yes	No
<b>Point of Order</b>	No	No	No	None	No	Yes
<b>Main Motion</b>	Yes	Yes	Yes	Varies	Yes	No
<b>Reconsider<sup>2</sup></b>	Yes	Yes	No	Two-thirds	No	No

1 In Acton, we generally do not accept amendments to amendments – too confusing.

2 Controlled by Town bylaw – 2/3 Vote same night; 3/4 Vote, plus posting ensuing nights.

Some of the motions listed above may not be totally understandable in table form only. The following elaboration may help.

The motion to *dissolve* ends the Town meeting and is appropriate only when all business is completed.

*Fix the time to adjourn* is a motion often made by the Selectmen and indicates when a given Town Meeting session will end and when the next session will begin.

*Lay on the table* is a motion used to end debate temporarily or permanently on a given motion. A motion laid on the table may remain there forever, or may be retrieved by the appropriate “take from the table” vote.

*The previous question* cuts off debate immediately and causes a vote on the article or amendment under discussion.

*Limit debate* is a motion generally used to put a specific time limit on a motion or time limits on individual speakers.

*Postpone to a time certain* is a motion generally used to rearrange the order of the articles (or a single article) in the warrant.

*Amend* – Many types of motions can be amended or altered to bring them to an even higher state of perfection. Of course, since amendments are a little like “beauty being in the eye of the beholder,” they

sometimes fail to pass. In any event, after the amendment is disposed of by a vote, the primary motion, either so amended or not, comes back to the assemblage for further discussion and vote.

***Postpone Indefinitely*** serves the same basic purpose as laying a motion on the table except that it is debatable and requires only a majority vote. If the postpone motion carries, the motion to which it applies is dead – in parliamentary terms, at least.

***Point of Order*** – Anyone at any time may rise to a point of order and interrupt the speaker, simply stating, “Point of order, Mr. Moderator.” The Moderator will immediately stop discussion, listen to the point of order and rule on its validity. Points of order may relate to many issues, for example, the right of a speaker to the floor, proper procedures, indecorous conduct or rarely, but within the realm of possibility, some error that the Moderator is committing.

***Main Motions*** are made when no other business is pending and are the devices used to bring the warrant articles to the Town Meeting floor for discussion.

***Reconsideration*** may be used to bring an article (or motion) which has already been disposed of back for a second time. If reconsideration is passed, it nullifies the previous vote and the article is re-discussed and re-voted. Many people feel that reconsideration is unfair, but it is a valid procedure and is occasionally used. In Acton, a Town Bylaw controls the vote quantum rather than Town Meeting Time. Anyone who wishes to reconsider a motion, particularly on a different night from the original vote, would be well advised to consult the Town Clerk on proper procedures.

Parliamentary procedure is not really complex, but the rules, like the rules of golf, do not always make sense. However, they should be consistently applied. If they are, then the Town Meeting can conduct its business in both an orderly and a fair fashion.

I hope this small treatise is helpful to you and adds to your understanding and enjoyment of a most precious night – TOWN MEETING.

Don MacKenzie  
Town Moderator



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